Client and Monterey County Bank ("Bank") willingly enter into this Remote Deposit Capture Services Agreement ("Agreement") as part of the deposit account Truth in Savings Disclosure, Terms and Conditions of Your Account, Important Information About Your Checking Account, Electronic Fund Transfers, Funds Availability and any applicable cash management agreement for the account(s) of Client (collectively, the "Deposit Account Agreements"). In the event of a conflict between the terms of this Agreement and the terms of the Deposit Account Agreements, the terms of this Agreement shall control.

1. **Background.** Bank offers the Product and Services for the conversion of paper negotiable item (checks) to a Substitute Check or an Image Exchange Item, which would enable Client to transmit paper negotiable items converted to imaged items to Bank for processing and deposit into Client's designated deposit account maintained at Bank ("Account(s)").

2. **Definitions.** Capitalized terms defined in this Agreement shall have the meanings indicated in this Agreement (including in Exhibit A).

3. **Services.** Bank will provide to Client the Product and Services described in this Agreement to enable Client to transmit imaged items to the Bank or Bank's designated third party processor to be cleared as a Substitute Checks or Image Exchange Items. Bank and Client will comply with the terms and provisions of this Agreement with respect to the use of the Product and the performance of the Services. If the Client is approved by Bank to transmit items to Bank to be cleared as Automated Clearing House (ACH) entries, an ACH Agreement ("ACH Agreement") will be required to be executed by Client and Bank. In that event, unless otherwise provided, all ACH entry transactions will be governed by the ACH Agreement, and all Substitute Check and Image Exchange Item transactions will be governed by this Agreement.

4. **Implementation.** Client will capture electronic images of Checks items using the Bank's third party vendor software and equipment provided by or through Bank or other software and equipment acceptable to Bank, and will ensure that the output files are compatible with the Product. Any third party software shall be maintained by Client except as the parties may otherwise agree in writing, and must meet technical specifications acceptable to Bank. Client shall transmit its output files as provided in this Agreement and the documentation guide.

5. **Client Responsibilities.** In connection with the Product and the Services, Client shall comply with the following:

   5.1. Client's General Responsibilities.

       5.1.1. Client shall maintain one or more deposit accounts at Bank for the receipt of Substitute check deposited items.

       5.1.2. Client shall be responsible for training its own employees in the use of the Product and Services.

       5.1.3. Client will only submit Items for processing to Bank that meet the definition of "Check" in Exhibit A and will ensure that the scanned Checks meet standards for image quality required by Regulation CC, or other standards established by Bank that meet ANSI X9.37 standards for image quality required by Regulation CC, or other standards established by Bank or application law. Client will not process any Non-qualifying Items as defined in Exhibit A. Bank's processing of Non-qualifying Items shall not constitute a waiver by Bank or obligate it to process such Non-qualifying Items in

the future. Bank may discontinue processing on Non-qualifying Items at any time, without cause or prior notice.

5.1.4. Unless previously approved by Bank in writing, Client will not attempt to scan and transmit to Bank any Check, which is drawn on a deposit account of Client at Bank or any other financial institution, or a deposit account of any business entity of which Client is a principal, officer or authorized signer.

5.1.5. Client will not attempt to scan and transmit to Bank any previously truncated and reconverted Substitute Check. Any previously truncate and reconverted Substituted Check must be physically deposited the Bank at a retail location. Notwithstanding the foregoing, Bank may redeposit any returned Substitute Check or Image Exchange Item consistent with the terms of the Deposit Account Agreements.

5.1.6. Client will (i) ensure that Checks are restrictively endorsed or otherwise processed to permit only financial institutions to acquire rights of a holder in due course in the collection process of Items, (ii) handle, process, maintain and destroy Original Checks as set forth in this Agreement and in the Documentation, and (iii) ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser receives presentment or return of, or otherwise is charged for an Item more than once in any form.

5.1.7. Client will use the Product and Services, including the entering, processing and transmittal of Imaged Items, in accordance with the Documentation. In addition, Client will provide, at its own expense, an Internet connection, such as a via a digital subscriber line (DSL) or other connectivity having equivalent or greater bandwidth and all other computer hardware, software, including but not limited to a compatible Web browser, and other equipment and supplies required to use the Service, all of which must satisfy any minimum requirements set forth in the Documentation or as otherwise may be acceptable to Bank. Client will provided, or obtain from another party selected by Client at Client's expense, support and maintenance of such Internet connection and all other computer hardware, Software, and equipment required to use the service provider (ISP), and Bank will not be responsible therefore.

5.1.8. Client will balance the dollar amount of each deposit to the sum of Checks prior to transmitting to Bank.

5.1.9. Client will: (i) maintain a daily control record of all Checks, including transactions counts and dollar amounts; and (ii) balance transactions transmitted from the previous business day and immediately notify Bank of any error or discrepancy discovered. If Client fails to notify Bank of any errors or discrepancies within 30 days of Client's receipt or availability of any printout, report or periodic statement, whichever occurs first, then such transactions will be deemed correct, and Client will be precluded from asserting any error or discrepancy against Bank.

5.1.10. Any Items deposited by Client that exceed the transaction limits established by Bank from time to time are subject to approval on a case-by-case basis.

5.1.11. Client shall be responsible for verifying Bank's receipt of Client's transmission(s) by verifying that deposits have been posted to the appropriate Accounts, in addition to cooperation in any investigation and resolving any unsuccessful or lost transmission with the Bank.

5.1.12. Client shall be responsible for installing and implementing any changes and upgrades to the Product and Services as required by the Bank within 5 days to ensure compliance with regulatory change or developments, or to protect the integrity and security of the Product and Services. Client will ensure that the equipment for the Service is clean and operating properly, and inspect and verify the quality of images and ensure that the digitized images of Items are legible for all posting and clearing purposes.

5.1.13. Client acknowledges that Client is required to have a sufficiently powerful computer, including hardware, with appropriate updates operating system and other software such as an internet browser that supports 128-bit encryption. Client agrees to install, maintain and regularly run on Client's computer hardware updated security patches for Client's operating system, and anti-virus and anti-malware software to protect against malware, viruses, worms, Trojan horses or other similar harmful components that may enter Client's computer system.

5.1.14. Client shall exercise due care in preserving the confidentiality of any user identification, password, or other code or authentication method provided by the Bank or otherwise required for use of the Service and shall further prevent the use the use of the Service by unauthorized persons. Client assumes full responsibility for the consequences of any missing or unauthorized use of or access to the Service or disclosure of any confidential information or instructions by Client, its employees and agents.

5.1.15. Client will retain each Original Check in accordance with the Documentation. If not directed otherwise by the Bank and except as provided in this Agreement, Clients will store and retain Original Checks for a minimum period of 30 days and a maximum period of 45 days ("Retention Period") after such Item has been digitized and processed, in accordance with the following: (a) Original Checks will be stored by date in a security sealed bag or other container: (b) the sealed bag or container will be stored in a locking cabinet or equivalent (Bank recommends that a log or an inventory sheet of destroyed bags be maintained): and (c) immediately upon expiration of the Retention Period. Client will use a commercially reasonable method, which is consistent with any requirements of Regulation CC and approved or required by Bank to destroy Original Checks.

5.1.16. Client shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to Original Checks; (b) that the information contained on such Original Checks or on any corresponding Imaged Items are not disclosed to third parties; (c) such Checks will not be duplicated or scanned more than one time; and (d) such Checks will not be re-deposited or renegotiated in any form. Client will promptly (but in any event within 5 business days) provide any retained Original Check (or, if the Original Check is no longer in existence, a sufficient copy of the front and back of the Original Check) to Bank as requested to aid in the clearing and collection process to resolve claims by third parties with respect to any Item or as Bank otherwise deems necessary.

5.1.17. Client understands and agrees that an Item that is not paid by a Payor Financial Institution, or is otherwise returned for any reason, will be returned to Client and Client's Account charged for the amount of the Item plus any associated fee as disclosed in Bank's schedule of fees. Bank's right to charge the Account of Client will apply without regard to whether the Item is returned timely to Bank or whether there is any other claim or defense that the Item has been improperly returned to Bank.

5.1.18. Client shall maintain fully qualified, properly trained and experienced administrative staff and employees sufficient to perform its obligations under this Agreement.

5.1.19. Client represents, agrees and warrants to Bank that (except as otherwise specifically disclosed in writing to Bank) Client is not now engaged, and will not during the term of this Agreement engage, in any business that would result in Client being or becoming a "money service business" as defined in the Federal Bank Secrecy Act and its implementing regulations.

5.1.20. Client will not engage in any activity directly or indirectly to the use of the Service that is illegal or fraudulent.

5.1.21. Remotely Created Checks.

   5.1.21.1. A remotely created check (sometimes called a preauthorized draft or demand draft) is a check or draft that can be used to withdraw fund from an account. Unlike a typical check or draft, a remotely created check is not created by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of the signature, the check usually has a statement from the account owner authorized the check or as the owner's name typed or printed on the signature line. Bank may refuse to receive or process for deposit for collection any remotely created checks, without cause or prior notice.

   5.1.21.2. If Client deposit remotely created checks in Client account, Client warrant and agree to the following for every remotely created check Bank receive from Client for deposit or collection.

   5.1.21.3. Client has received express and verified authorization to create the check in the amount and to the payee that appears on the check.

   5.1.21.4. Client will maintain proof of the authorization for at least two (2) years from the date of the authorization, and supply the Bank with proof of authorization at Bank request, within five (5) business days of the request.

   5.1.21.5. If a check is returned, regardless of reason, the Client will owe the Bank the amount of the check, regardless of when the check is returned. Bank may take funds from Client's account to pay the amount Client owe to the Bank, and if there are insufficient funds in Client's account, Client still owe Bank the remaining balance.

   5.1.21.6. Client agrees to operate in accordance with applicable laws and regulations regarding remotely created checks as set forth in this Agreement.

   5.1.21.7. Bank has the right at any time to assess the activity level in the account and set transactions parameters and/or limits, including allowable unauthorized return levels.

   5.1.21.8. Bank has the right to withhold a reserve amount at Bank's own discretion of the total of each deposit containing remotely created checks for two or more business days without any additional notification, including any notifications referred to in this Agreement.

5.2. Remote Deposit Capture Service.

    5.2.1. Client's Account will be provisionally credited upon Bank's acceptance of Imaged Items for deposit, which is received by Bank from Client through the Service. On a case-by-case basis, the bank reserves the right to place a hold on funds deposited in compliance with the provisions of bank Regulation CC.

    5.2.2. Client will create images of Checks at Client's location by use of scanning hardware and Software approved or provided by Bank. Client will enter all amounts and any other required information correctly.

    5.2.3. The Imaged Items will be transmitted by Client to Bank, or Bank's authorized processor, over the Internet through a web-based interface.

    5.2.4. Bank will maintain the appropriate Account for Client to receive credit and provide other specific information required by Bank related to the Service. As set forth in paragraph 9.2, all deposits received by Bank at Bank's sole discretion. All deposits are subject to the terms of the Deposit Account Agreements.

6. **Compliance with Law.** Client shall comply with all laws, rules, and regulations applicable to Client, to the business and operation of Client, and to the Products and Services, including, without limitation, Regulation CC, the Uniform Commercial Code and any rules established by an image exchange network through which Image Exchange Items are processed pursuant to this Agreement. Client shall have the responsibility to fulfill any compliance requirement or obligation that Bank and/or Client may have respect to the Service under all applicable U.S. federal and state laws, regulations, rulings, including sanction laws administered by the Office of Foreign Assets Control, and other requirements relating to anti-money laundering, including but not limited to, the federal Bank Secrecy Act, the USA Patriot Act and any regulations of the U.S. Treasury Department to implement such Acts, as amended from time to time.

7. **Communications Software.** At any time during the term of this Agreement, Bank may require in its sole discretion the use of Software in connection with the Product and Services. If Software is required, Bank will provide to Client a copy of the Software or instructions on how to obtain the necessary Software.

    7.1. Any grant by Bank to Client of Software license usage rights, shall be a non-exclusive, non-transferable right to access and use the Service in connection with Client's own business operations in accordance with the Documentation. Client agrees to comply with the terms of any Software license(s) provided to Client in connection with the Services.

    7.2. To the extent the Bank requires the use of Software in connection with the Service, Client will implement and use the Software, as set forth in the Documentation and any applicable materials relating to the Documentation to transmit output files to Bank.

    7.3. Client acknowledges that (i) its license to any Software that may be required for the Service is directly from the Software provider, pursuant to the license agreement that appears when any such Software is electronically accessed by Client or otherwise provided to Client, (ii) Bank may provide certain "first level" support to Client with respect to the Software, but that Bank will have no responsibility for maintenance, support, infringement protection, or otherwise, to Client with respect to the Software,

and (iii) Client will look strictly to the Software provider, or its successors, with respect to any issues concerning the Software that cannot be satisfactorily resolved with Bank's assistance.

7.4. Client will use the Software solely for the purpose of transmitting output files to Bank consistent with this Agreement and not for communications with any other party. Client will not allow access to the Software or the use of the Product by any person other than Client, and will only process Items arising from a transaction or obligation between Client and its direct payor.

7.5. Client will promptly return all copies of the Software and Documentation, including materials related to the Documentation, to Bank upon termination of the Agreement.

7.6. Client will not reproduce the Software or other functionality or content included or used for the Services or on which the Service is based. Additionally, Client will not decompile, reverse engineer or disassemble the Software or otherwise attempt to derive computer source code from the Software functionality of the Service.

7.7. Consistent with this Agreement, Bank may, from time to time, require and change the Software required for this purpose, provided such change does not result in any additional license or maintenance fees payable by Client. Client will be responsible to install and implement any changes to the Software within five (5) days following notice of such change.

8. **Bank Rights and Responsibilities.**

8.1. For all Imaged Items processed by Client pursuant to this Agreement, either (i) digitized images will be converted to Substitute Checks and presented for payment to established Endpoints, or (ii) Image Exchange Items will be presented for payment through one or more image exchange networks. Bank may in its sole discretion determine the manner of processing. All such processing and presentment shall be done in accordance with timeframes and deadlines set forth in the Documentation, applicable laws, regulations or rules, and as otherwise established by the Bank from time to time.

8.2. Unless otherwise agreed by Clients and Bank, Bank will process any returned Items in accordance with applicable law and the Deposit Account Agreements.

8.3. Subject to this Agreement, availability of credit from Items processed under this Agreement will be subject to the availability schedule of Bank, which may be amended without notice.

8.4. Bank may at its sole option, with or without cause, at any time and from time to time, refuse to process any Imaged Items. Bank may from time to time establish exposure limitations and assign them to Client.

8.5. In addition to any other rights Bank may have as regards the Account of Client, including those set forth in this Agreement, Bank may hold and use funds in any deposit Account following termination of this Agreement for such time as Bank reasonably determines that any Item processed by Bank prior to termination may be returned, changed back or otherwise a cause for any loss, liability, cost, exposure of other action for which Bank may be responsible. Without limitation, Client recognizes that under the Rule, the UCC, Regulation CC and the rules of any image exchange network, Bank's representations and warranties as regards Image Exchange Items and Substitute Checks may expose Bank to claims for several years following processing of the Image Exchange Item or Substitute Check.

8.6. Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission, or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Banks control. In the event of any of the foregoing failure or delays, Client acknowledges that it may instead deposit directly with Bank any Original Items for processing and presentment provided Original Items have not been previously imaged and processed in connection with the Product and Services. In addition, Bank shall be excused from failing to transmit or delay in transmitting an Item for presentment if such transmittal would result in Bank's having exceeded any limitation upon its intraday net funds position established pursuant to Federal Reserve guidelines or if Bank is otherwise violating any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. government regulatory authority.

8.7. Client acknowledges that Bank my from time to time establish minimum amounts to be funded by Clients as reserve amounts. Bank will provide notice to Client of any reserve requirements, and Client shall immediately fund the reserve amount with good funds. Bank may withhold and use any amounts due to Client to maintain any reserve amounts at levels specified by Bank. To secure all obligations of Client to Bank arising from this Agreement, Client grants to Bank a security interest in all Accounts of Client at Bank, all funds in those Accounts, any reserve Accounts or funds therein, all Items, whether now or hereafter established by or for the benefit of Client at Bank, and all proceeds of the foregoing. Bank's security interest will survive after termination of this Agreement. This security interest is supplement to and not in lieu of the security interest granted by Client to Bank under any other agreement.

8.8. Client acknowledges and agrees that the Software and content used by Bank in the operation and provision of the Services, and the copyright patent, trademark, trade secret and all other rights in and to the technology, software, content, designs, graphics, and trademarks included as part of the Services and Bank's name and product names and the website's URL (collectively, the "Intellectual Property"), are owned by Bank and Bank's licensors. As such, Client will not gain any ownership or other right, title or interest in or to such Intellectual Property by reason of the Agreement or otherwise. The computer programs, Service guides, security procedures, equipment, software, and systems provided by Bank to Client in connection with the Services represent Bank's proprietary property, including intellectual property, and must be returned to Bank upon request.

8.9. Bank may add, delete or change the features or functions of the Service at any time in Bank's sole discretion. If Bank deems it reasonably practicable to do so and if the change adversely affects Client's usage of the Service, Bank will notify Client of the change in advance. Otherwise, Bank will notify Client of the change as soon as reasonably practicable after it is implemented, which notice may be given electronically. Bank may cause the Service to be temporarily unavailable to Client, either with or without prior notice, for site maintenance, security or other reasons, and Client acknowledges that factors beyond Bank's reasonable control, such as telecommunications failure or equipment failure, may also cause the Service to be unavailable to Client. Client may deposit Original Checks and other items to any deposit Account at Bank in person or in any other manner permitted by agreement between Client and Bank, and Client will be responsible for maintaining procedures and facilities to enable Client to do so if the Service is unavailable to Client.

9. **Financial Information: Audit.**

9.1. Bank may from time to time request information from Client in order to evaluate a continuation of the Service to be provided by Bank hereunder and /or adjustment of any limits set by this Agreement. Client

agrees to provide the requested financial information immediately upon request by Bank, in the form required by Bank. Client authorizes Bank to investigate or reinvestigate at any time any information provided by Client in connection with this Agreement or the Remote Deposit Service and to request reports from credit bureaus and reporting agencies for such purposes.

9.2.   Upon request by Bank, Client herby authorizes Bank to enter Client's business premises for the purpose of ensuring that Client is in compliance with this Agreement and Client specifically authorizes Bank to perform an audit of Client's operational controls, risk management practices, staffing and the need for training and ongoing support, and information technology infrastructure. Client hereby acknowledges and agrees that Bank shall have the right to mandate specific internal controls at Client's location(s) and Client hall comply with any such mandate. In addition, Client hereby agrees to allow Bank to review available reports of independent audits performed at the Client location related to information technology, the Service and any associated operational processes. Client agrees that if requested by Bank, Client will complete a self-assessment of Client's operations, management, staff, systems, internal controls, training and risk management practices that would otherwise be reviewed by Bank in an audit of Client. If Client refuses to provide the requested financial information, or if Bank concludes, in its sole discretion, that the risk of Client is unacceptable, or if Client refuses to give Bank access to Client's premises, Bank may terminate the e Deposit Service according to the provisions hereof.

9.3.   In connection with Bank's entry on the premises of Client for the purpose of installation of Bank-provided equipment and Software, if applicable, for the purpose of conducting an on-site inspection pursuant to this Agreement, or in connection with providing support to Client (if applicable), Bank shall not be liable or responsible to Client or any third party for any loss, bodily harm, property damage, claims of the introduction of a virus or other malicious code into Client's system, including any which allegedly delay, alter or corrupt the data of Client, whether related to the transmission of Imaged Items or other data to Bank or whether caused by the equipment, Software, Bank, Internet service providers, Internet browsers, or other parties providing communication services to or from Bank to you.

10. **Processing Times.**

10.1.   The Service is available for use seven days per week and 24 hours a day except during maintenance periods, or such hours as established by Bank from time to time. Monday through Friday, except for designated holidays, the service cut-off for same day processing of deposits is 3:00 PM, Pacific Time Zone. Transmissions processed by the Client after this cut-off or on any day that is not a business day, are treated as occurring on the next business day.

10.2.   Notwithstanding any provisional credit that may be applied to an Account in connection with Client's transmitted Imaged Items. Imaged Items processed for deposit through the Service will be deemed to have been received by Bank for deposit at the time the Imaged Items are actually received and accepted at the location where Bank or its designated agent posts the credit to the Account. A deposit of Imaged Items will be deemed to have been received and accepted by Bank for deposit when all of the following have occurred: (i) Bank has preliminarily verified that the image quality of the Imaged Items is acceptable to Bank in its discretion, all Item information is complete and the deposit totals are balanced to the Item information provided for the deposit; and (ii) Bank has successfully performed all further validation routines with respect to the deposit. Notwithstanding the foregoing, Imaged Items received by Bank for deposit may be rejected by Bank in Bank's sole discretion.

10.3. Items will be processed and ready for presentment by Bank after Bank receives all good digitized images and associated data for any given transmission from Client. Client agrees to view the images of each scanned Item that is sent to Bank. If Item information received by Bank is not complete or cannot be processed by Bank for any reason, Bank may reject the Imaged Items, notwithstanding any transmission confirmation and charge the amount back against any provisional credit to Client's Account. Client will be responsible for verifying Bank's receipt of Client's transmissions by verifying that deposits have been posted to Client's Account. Bank will use commercially reasonable efforts to present Items for payment to the applicable Endpoint within a reasonable period of time following such receipt.

10.4. If under this Agreement above an Imaged Item is not accepted for deposit, Client may then submit the Original Check to Bank for processing or contact the maker to reissue the Check. If Client submits the Original Check for processing, Bank reserves the right to refuse to process the Check for deposit and presentment to the Payor Financial Institution and may instead require Client to have the maker reissue the Check.

10.5. It is Client's responsibility to understand and build into its transmission schedules the appropriate deadlines necessary to meet the availability schedules of Bank as set forth in the Deposit Account Agreements or as otherwise established by Bank. Client is further responsible for understanding and building into its transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time.

11. **Security Procedures.**

11.1. Client will be solely responsible for establishing, maintaining and following such security protocols as deemed necessary to ensure that output files transmitted directly to Bank are intact, secure and confidential until received by bank.

11.2. Notwithstanding Bank's efforts to insure that the Services are secure, acknowledges that the Internet is inherently insecure and that all data transfers (including transfer requests and electronic mail) occur openly on the Internet. This means that the data transfers potentially can be monitored and read by others. Bank cannot and does not warrant that all data transfers utilizing the Services will not be monitored or read by others.

11.3. Client agrees to implement security procedures that Bank may offer to verify the authenticity of any output files transmitted to Bank in the name of Client. Regardless of the security procedures implemented by Client, Client agrees that Bank may rely on and Client will be obligated on the output file, whether or not the output file was authorized by Client. Without limiting the foregoing, if an output file was authorized by Client, Client will be obligated on the output file even if Bank did not verify its authenticity using the security procedures and even if the security procedures would have prevented error. Client agrees that the security procedures are intended to verify authenticity and not to detect error.

11.4. Client shall comply with online instructions for using the Product and Service by taking reasonable steps to safeguard the confidentiality and security of any passwords, equipment, and other proprietary property or information provided in connection with the Service.

11.5. Client shall limit access to any passwords and equipment to persons who have a need for such access, closely and regularly monitor the activities of employees who access the Service; notify Bank

immediately if Client has any reason to believe the security or confidentiality required by this provision has been or may be breached; and immediately change the password if Client knows or suspects the confidentiality of the Password has been compromised in any way. Security procedures are not designed for the detection of errors, e.g., duplicate transmission of Imaged Items or errors in information provided to Bank. Bank is not obligated to detect errors by Client.

11.6. Client may appoint an individual (an "Administrator") with the authority to determine who will be authorized to use the Service on Client's behalf. Client assumes sole responsibility for the actions of the Administrator, the authority the Administrator gives others to act on Client's behalf, and the actions of the persons designated by the Administrator to access and use the Product and Service.

11.7. Client agrees to change the password(s) periodically and whenever anyone who has had access to the password is no longer employed or authorized by Client to use the Product and Service.

11.8. Bank may elect, at Bank's discretion, to verify the authenticity or content of any transmission by placing a call to any authorized signer on Client's Account or any other person designated by Client for that purpose. Bank may deny access to the Service without prior notice if unable to confirm any person's authority to access the Service or if Bank believes such action is necessary for security reasons.

11.9. Client warrants each time Imaged Items are transmitted using the Product and Service that Bank's security procedures are commercially reasonable (based on the normal size, type, and frequency of transmissions). Client agrees to be responsible for any transmission Bank receives through this Service, even if it is unauthorized by Client, provided it includes a password or is otherwise processed by Bank in accordance with this security procedure.

12. **Client Representations and Warranties.** Client makes the following representations and warranties with respect to each Item, including Non-qualifying Items, processed by Client.

12.1. The processed Imaged Item has been transmitted in compliance with the terms and conditions of this Agreement.

12.2. The Imaged Item is a digitized image of the front and back of the Check and accurately represents all of the information on the front and back of the Check as of the time Client converted the Check to an Imaged Item;

12.3. The Imaged Item contains all endorsement applied by parties that previously handled the Check in any form for forward collection or return; and

12.4. Client makes all encoding, transfer, presentment and other warranties made under applicable law as Bank is deemed to make under applicable law, including without limitation those under the UCC, Regulation CC and the rules of any image exchange network.

12.5. There will be no duplicate presentment of a Check in any form, including as a digitized image, as a paper negotiable instrument or otherwise and Client will be liable for and otherwise assume responsibility for any such duplicate presentment of any Check. Client agrees to indemnify and defend Bank against any and all claims, causes of action or demands arising out of or directly or indirectly related to the duplicate presentment of any Check;

12.6. Except as otherwise specifically disclosed in writing to Bank, Client is not now engaged, and will not during the term of this Agreement engage, in any business that would result in Client being or becoming a "money services business" as defined in the Bank Secrecy Act and its implementing regulations; and

12.7. Client will not engage in any activity directly or indirectly related to the use of the Service that is illegal or fraudulent.

13. **Fees.** Client will pay service fees list in Bank's Schedule of Fees to be provided to Client. Bank may increase, alter, add or otherwise change fees and other amounts payable under this Agreement by Client upon 30 days notice. Fees may, at Bank's option, be billed and paid through Bank's account analysis deposit account system.

14. **Term and Termination.** The term of this Agreement will commence upon full execution of this Agreement and will continue thereafter until terminated as follows:

14.1. Client may terminate this Agreement at any time, with or without cause, upon 30 days prior written notice to Bank.

14.2. Bank may terminate this Agreement at any time immediately upon notice to Client, (including, without limitation if Bank discovers any breach of this Agreement by Client, willful misconduct, bad checks or fraudulent activities on the part of Client or any other party with respect to Items processed by Client under this Agreement).

14.3. Any termination will not affect any obligations arising prior to termination, such as the obligation to process any Items, that were processed or in the process of being transmitted or collected prior to the termination date, or any returns of the same. Upon termination, Bank may terminate Client's access to the Product and Services, and Client will terminate its access to and use of the Product and Services, except to the extent necessary to process and collect Items that were in process prior to the termination date. Within 7 days after termination of this Agreement, Client will, at its expense, promptly uninstall and remove all Software provided for the Service from its computers and return to Bank all hardware and equipment provided by Bank for the Service, including scanner, the Documentation and any materials relating to the Documentation in its possession or under its control, destroy all copies of the Documentation and materials relating to the Documentation that cannot be returned, and upon request from Bank certify in writing to Bank that all copies have been returned and destroyed. Client will be responsible and liable to Bank for the replacement cost of all lost, stolen or damaged equipment that was provided by Bank to Client in connection with the Service.

14.4. All Sections of this Agreement which are intended by their terms to survive termination of this Agreement, including without limitation Sections 5 through 12 will survive any such termination.

15. **Client Indemnification.** Client will indemnify and hold harmless Bank, its licensors and providers of the Product and Services, and their respective directors, officers, shareholders, employees and agents, against any and all third party suits, proceeding, claims, demands, causes of action, damages, expenses (including reasonable attorney's fees and other legal expenses), liabilities and other losses that result from or arise out of (i) the wrongful acts or omissions of Client, or any person acting on Client's behalf (including without limitation Client's authorized processer, if any), in connection with Client's use of the Product or Services or processing of Items under this Agreement, including without limitation (a) the breach by Client of any provision, representation or warranty of this Agreement, (b) the negligence or will full misconduct (whether by act or omission) of Client or its Clients or any third party on behalf of Client, (c) any misuse of the Product

ort Services by Client, or any third party within the control or on behalf of Client, (d) the failure by Client to comply with applicable state and federal laws and regulations, or (e) any fine, penalty or sanction imposed on Bank by, any clearing house, or any governmental entity, arising out of or connected with any Item processed by Bank for Client or at Client's instruction; (ii) any act or omission of Bank that is in accordance with this Agreement or instructions from Client; (iii) action by third parties, such as the introduction of a virus or malware that delays, alters or corrupts the transmission of an Imaged Item to Bank; (iv) any loss or corruption of data while at Client's location or while in transit from Client to Bank; including without limitation any security breaches which result in the loss or disclosure or personal information of this parties; (v) any claim by any recipient of a Substitute Check corresponding to a Check processed by Client under this Agreement, that such recipient incurred loss due to the receipt of the Substitute Check instead of the Original Check; or (vi) any claims, loss or damage resulting from Client's breach of, or failure to perform in accordance with, the terms of this Agreement.

16. **Disclaimer.** BANK'S REPRESENTATIONS, WARRANTIES, OBLIGATIONS AND LIABILITIES, AND CLIENTS RIGHT AND REMEDIES, SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE. BANK AND ITS LICENSORS HEREBY DISCLAIM, AND CLIENT HEREBY WAIVES AND RELEASES BANK, ITS LICENSORS AND THEIR RESPECTIVE OWNERS, OFFICERS AND EMPLOYEES FROM ALL OTHER REPRESENTATIONS, WARRANTIES OF ANY NATURE, OBLIGATIONS AND LIABILITIES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY AND ALL DOCUMENTS, SERVICES, INFORMATION, ASSISTANCE, SOFTWARE PRODUCTS, OR OTHER MATTERS PROVIDED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION (i) ANY IMPLIED WARRANTY OF MERCHANT ABILITY, FITNESS FOR A SPECIFIC USE, PURPOSE OR APPLICATION, OR OTHER IMPLIED CONTRACTUAL WARRANTY; (ii) ANY IIMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE; (iii) ANY WARRANTIES OF TIMELINESS OR NON-INFRINGEMENT; AND (iv) ANY OTHER WARRANTY WITH RESPECT TO QUALITY, ACCURACY OR FREEDOM FROM ERROR. NOTWITHSTANDING THE GENERALITY OF THE FOREGOING, NEITHER BANK NOR ITS LICENSORS WARRANT THAT OPERATION OF THE PRODUCT WILL BE ERROR-FREE OR THAT ITS OPERATION WILL BE UNINTERRUPTED.

17. **Liability.** Bank will not be liable to Client for any of the following: (i) any damages, costs or other consequences caused by or related to Bank's actions that are based on information or instructions that Client provides to Bank; (ii) any unauthorized action initiated or caused by Client or its employees or agents' (iii) the failure of third persons or vendors or perform satisfactorily, other than persons to whom Bank has delegated the performance of specific obligations provided in the Agreement; (iv) any refusal of a Payor Financial institution to pay in Image Exchange Item or Substitute Check for any reason (other than the breach of contract, gross negligence or willful misconduct of Bank), including without limitation, that the Image Exchange Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; (v) Client's or any other party's lack of access to the Internet or inability to transmit or receive data; (vi) failures or errors on the part of Internet service providers, telecommunications providers or any other party's own internal systems, or (vii) if Client does not follow or comply with the representations or warranties set forth in this Agreement.

17.1. To the fullest extent allowed by law, and subject to Bank's limitations on liability provided otherwise in this Agreement, Bank will only be liable for damages that are solely and proximately caused by Bank's gross negligence or willful misconduct. Bank's liability for errors of omissions with respect to the data transmitted or printed by Bank in connection with this Agreement will be limited to correcting the errors or omissions. Correction will be limited to reprocessing, reprinting and/or representing the Image Exchange Items or Substitute Checks to the Payor Financial Institution.

17.2. Notwithstanding anything to the contrary in this Agreement, Bank's aggregate liability for claims related to this Agreement, whether for breach, negligence, infringement, in tort or otherwise, arising during any 12 month period shall be limited to an amount equal to the amount of fees paid by Client to Bank under this Agreement for such 12 month period.

17.3. Except as otherwise specifically provided in this Agreement, in no event will either party be liable to the other for any consequential, indirect, incidental, special, exemplary or punitive damages, including without limitation any loss of use or loss of business, revenue, profits, opportunity or good will, under any theory of tort, contract, indemnity, warranty, strict liability or negligence, even if such party has been advised or should have known of the possibility of such damages.

17.4. Client and Bank acknowledge and agree that the limitations of liability in this Section are a bargained for allocation of risk and liability, and agree to respect such allocation of risk and liability. Each party agrees and acknowledges that the other party would not enter into this Agreement without limitations of liability set forth in this Section.

18. **Third Parties.**

18.1. Client acknowledges and agrees that Bank may arrange to provide Software, if required, and/or may arrange for the Services covered by the Agreement to be performed or provided by third parties, including its affiliates. Client further agrees that any such party is a third-party beneficiary of the Agreement and as such is entitled to rely on, an avail itself of, the provisions of the Agreement as if it was Bank, including, without limitation, the limitations on liability and the indemnities described in the Agreement. Bank's ability to provide certain Services may be dependent upon Bank's ability to obtain or provide access to third-party networks. In the event any third-party network is unavailable or Bank determines in its sole discretion, that Bank cannot continue providing any third-party network access. Bank may discontinue the related Service or may provide the Service through an alternate third-party network. In such situations, Bank will have no liability for the unavailability or delay of access.

18.2. Notwithstanding the limitations described above pertaining to third parties, if Client authorizes a third-party to access the Services on Client's behalf, Client will be solely responsible and liable for all actions and inactions of said third-party. Client expressly assumes the risks associated with providing Service access rights to its agents or third-party vendors, including but not limited to the risk of unauthorized or erroneous transactions. Bank will not be responsible, nor have any liability whatsoever for any services Client receives from Client's agents or third-party vendors. Bank reserves the right to require Client to agree to additional terms and conditions as a condition precedent to Client's use of any agent or third-party vendor in connection with Client's access to the Services.

19. **Update Notice**. Client will provide written notice to Bank of any changes to the information previously provided by Client to Bank, including without limitation, any additional locations, any change in business, and new business, any change in goods or services provided by Client, the identity or principals and/or owners, the form of Client's business organization, and method of conducting sales. Client will provide the notice within five (5) business days of the change. Without limiting the foregoing, client will provide Bank any additional information requested by Bank within five (5) business days of such request. Bank retains the right to review Client's Checks, files, and business activities from time to time to confirm information provided by Client to Bank.

20. **Miscellaneous.**

20.1. Assignment. Neither party may assign its rights or obligations under this Agreement without the written consent of the other party; provided, however, Bank may assign or transfer this Agreement, by operation of law or otherwise, to any person that becomes the successor entity of Bank, in connection with a change of control (which shall include a direct or indirect transfer of all or substantially all of Bank's stock or assets to a third party, a merger, reorganization or other such transaction, or any such transaction by a parent corporation of Bank) and Client hereby consents to such assignment or transfer in advance. The legal successors(s) resulting from such aforementioned assignment or transfer will succeed to and be bound by this Agreement. Bank may subcontract any of the work, services, or other performance required of Bank under this contract without the consent of Client.

20.2. Consent to Breach Note Waived. Neither party will, by the lapse of time, and without giving written notice, be deemed to have waived any of its rights under this Agreement. No waiver of a breach of this Agreement will constitute a waiver of any prior or subsequent breach of this Agreement.

20.3. Notices. Notices must be in writing, must be delivered according to clause (a), (b) or (c) below, and must be delivered to the address set forth on the signature page of this Agreement, or to such other address as a party may designate by notice in accordance with this provision. All notices under this Agreement will be deemed given on the date of (a) sending by regular U.S. mail, (b) delivery by a nationally recognized overnight courier, or (c) delivery by certified mail, return receipt requested.

20.4. Force Majeure. Neither party will be liable to the other for any delay or interruption in performance as to any obligation in this Agreement resulting from governmental emergency orders, judicial or governmental action, emergency regulations, sabotage, riots, terrorist action, vandalism, labor strikes or disputes, acts of God, fires, electrical failure, major computer hardware of software failures, equipment delivery delays, act of third parties, or delays or interruptions in performance beyond its reasonable control.

20.5. Entire Agreement: Amendment. Bank may amend this Agreement at any time and from time to time as determined in its sole discretion and without prior notice to Client. This Agreement will not be more strongly constructed against either party, regardless of who is more responsible for tis preparation.

20.6. Severability: If any part of this Agreement is found to be illegal or unenforceable, then that part will be curtailed only to the extent necessary to make it, and the remainder of the Agreement, legal and enforceable.

20.7. Applicable Law. This Agreement will be governed by federal law, and to the extent not preempted, by internal laws of the State of California (without regard to that state's principles of conflicts of law).

20.8. Relationship of Parties. Nothing in this Agreement creates a joint venture, partnership, principal agent or mutual agency relationship between the parties. No party has any right or power under this Agreement to create any obligation, expressed or implied, on behalf of the other party.

20.9. Arbitration. Any disputes or claims arising out of or relating to this Agreement shall be resolved pursuant to the arbitration or alternative dispute resolution provisions of the Deposit Account Agreements.

20.10. Headings. The titles or captions used in this Agreement are for convenience only and will not be used to construe or interpret any provision hereof.

This Agreement is incorporated into the Online Banking and Bill Pay Agreement and any Addendums and Schedules attached to and made a part of that Agreement between the Client and Bank.

EXHIBIT A

DEFINITIONS

"ACH" means Automated Clearing House.

"Business Day" means a calendar day other than a Saturday or Sunday, January 1, the third Monday in January, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, the fourth Thursday in November, or December 25. If January 1, July 4, November 11, or December 25 fall on a Sunday, the next Monday in not a business day.

"Check" means an original negotiable item, as defined in Regulation CC, except that negotiable item does not include a Substitute Check or a remotely created heck.

"Confidential Information with respect to either party as recipient" means any information obtained by, or disclosed or made available to such party (whether in writing, verbally or by observation of objects or processes) from or by the other party, that is accompanied by a clear indication that the disclosing party considers the information to be confidential or proprietary, or is of a type that the recipient should reasonably consider it the confidential or proprietary information of the disclosing party or its licensors. Confidential information does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by the recipient; (ii) was in the recipient's possession before the time of disclosure, (iii) becomes available to the recipient on a non-confidential basis from another source, provided that the recipient has no actual knowledge that the source of such information was bound by and in breach of a confidentiality obligation with respect to such information; or (iv) is independently developed by the recipient without reference to use of the disclosing party's other Confidential Information. The Documentation and any materials relating to the Documentation will be deemed the Confidential Information of Bank for purposes of this Agreement. Any nonpublic personal information regarding Client's customers shall be deemed the Confidential Information of Client for purposes of this agreement.

"Documentation" means all documentation, the user manual and guides, and other manuals, instructions relating to the Product and Services which Bank may provide to Client from time-to-time.

"Imaged Item" means the electronic image of a negotiable item that is created by Client and transmitted to Bank using the Product and Services.

"Endpoint" means any Federal Reserve Bank, financial institution, local clearing house, courier or other entity or location for the delivery of cash letters or other presentment of Electronic Items or Substitute Checks.

"Image Exchange Item" means a digitized image of an Item cleared and settled directly with a Payor Financial Institute without conversion to a Substitute Check.

"Item" means a Check that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution, whether negotiable or not, and payable or endorsed to Customer, and includes Original Checks. Substitute Checks and Image Exchange Items. Such term does not include Non-cash Items or Items payable in a medium other than United States money.

"Non-cash Item" means an Item that would otherwise be an Item, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except an Item that qualifies for handling by

automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

"Non-qualifying Item" means Non-cash Items, Items payable in a medium other than United States money, currency, warrants, Items payable to third parties, Items staled dated by six months or more or postdated, savings bond, Items payable to "cash", Substitute Checks, non-negotiable Items, Items that have been returned unpaid for any reason and any Item that exceeds Customer's transaction limitations as established by Bank from time to time.

"Original" with respect to a Check means the first paper Item issued with respect to a particular payment transaction.

"Payor Financial Institution" means the United States Financial Institution ordered in an Item to make payment to the payee(s) named on the Item.

"Product" means collectively the procedures, protocols, and software used by Bank and its licensors and contractors in connection with the electronic processing of Items, and includes without limitation the Services.

"Regulation CC" means 12 C.F.R. Part 229, as it may be amended from time to time.

"Services" means the services described in the Agreement, to be provided by Bank to Customer to enable the processing of Items digitally as Image Exchange Items through image exchange networks or through creation of Substitute Checks and presentment to established Endpoints.

"Software" means any software which may be offered or required by the Bank for use in receiving, validating and packaging images and data from a bulk file to be forwarded to Bank for additional processing.

"Substitute Check" means a paper reproduction of an Item that satisfies the requirements and definition of "substitute check" set forth in Regulation CC.

"Remote Deposit Capture Service(s)" means the services to be provided by Bank to Client to enable the processing of Items digitally as Image Exchange Items through image exchange networks or through creation of Substitute Checks and presentment to established Endpoints, including collectively the procedures, protocols, and software used by Bank and its licensors and contractors in connection with the electronic processing of Items.

"UCC" means the Uniform Commercial Code as enacted and amended in the state whose law governs interpretation of this Agreement.

"United States Financial Institution" means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.